



Property: Urban Regeneration

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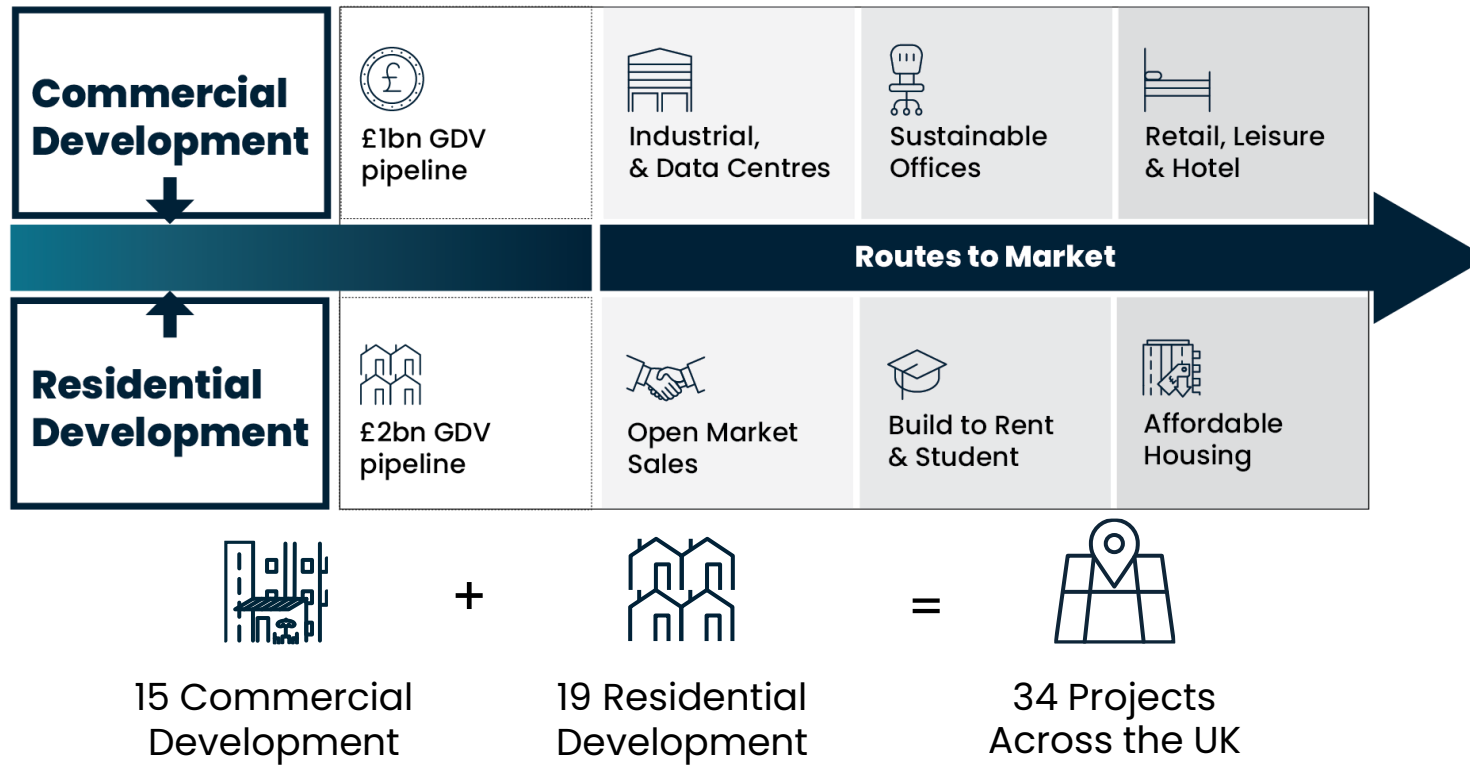


Guildford Station

Introduction

£3bn GDV¹ mixed-use pipeline opportunity

Investing in brownfield sites to revitalise communities through public and private partnerships



£225m² of Kier Capital to deliver a pipeline of opportunity of up to £3bn GDV* over 5-10 years



Property Market Drivers and Opportunities



Demographic changes

UK **population to grow** 5m+ by 2032, rapid urbanisation and a surge in one-person and 65+ households—boosting demand for build to rent , co-living, and senior living.



Economic Growth

Industrial and Infrastructure Strategies are central to UK **growth** —focused on rebuilding Britain, supporting jobs, unlocking investment and improving housing and health standards.

Improved productivity & **raising living standards** throughout the UK.



Changing Consumer Demand

Online retail now 27% of all sales + demand for **experiential** retail and leisure and selective physical store presence driving multi-channel strategies.

Retail demand, On-Shoring, AI & Robotics, & population growth driving warehouse demand.



Climate Change

Occupier Net Zero demand 68% office leasing (2023) in London & 5 regional cities on new or refurbished offices, driven by net zero, wellbeing, and talent attraction.

Obsolescence = Opportunity: 83% of commercial buildings need major EPC upgrades creating investment potential.

Good design is key to **climate resilience**.

Underpinned by Critical Legislation



English Devolution Bill and Local Gov Reform



Planning and Infrastructure Bill



Industrial Strategy



Nature Restoration Fund



Local Government Pension Reforms



National Wealth Fund Bill

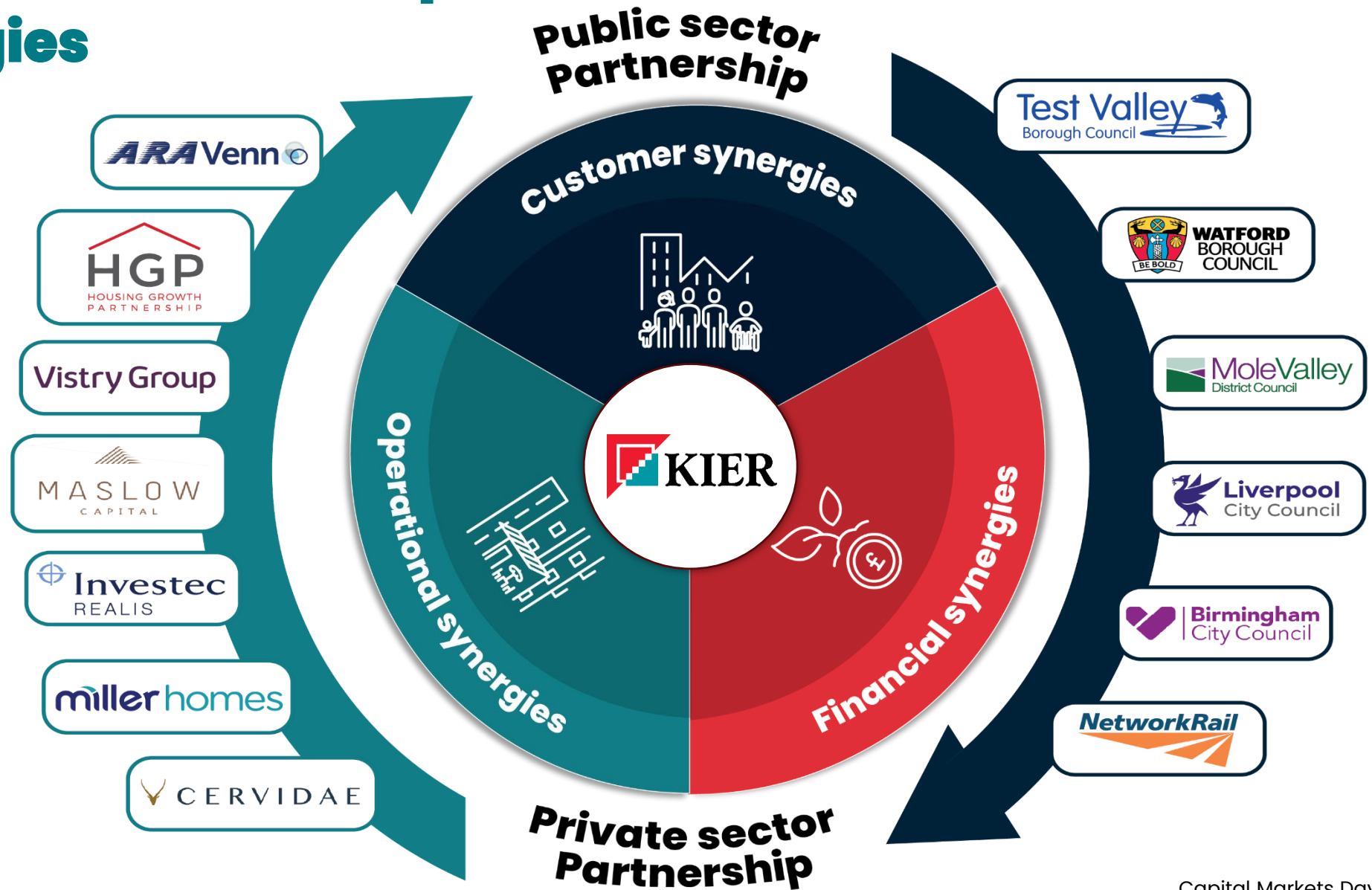


Building Safety Act



Minimum Energy Efficiency Standards

Group and Partnership Synergies



Urban Regeneration – Value Creation



Control Land

- £3bn pipeline of secure opportunities
- Balanced portfolio to manage risk
- JVs give access to opportunities and help manage risk
- c.5,000 residential units



Obtain Planning Permission

- 55% of portfolio currently consented
- 2,200 residential units consented
- Local authority partnerships help derisk planning



Build, Manage & Income

- Integrated 360 opportunities
- 10 schemes completed or currently under construction
- Fee and income improving ROCE



Secure Occupier

- Established relationships delivering repeat business
- BTR and affordable housing improves capital efficiency
- Pre-letting de-risks investment and improves ROCE



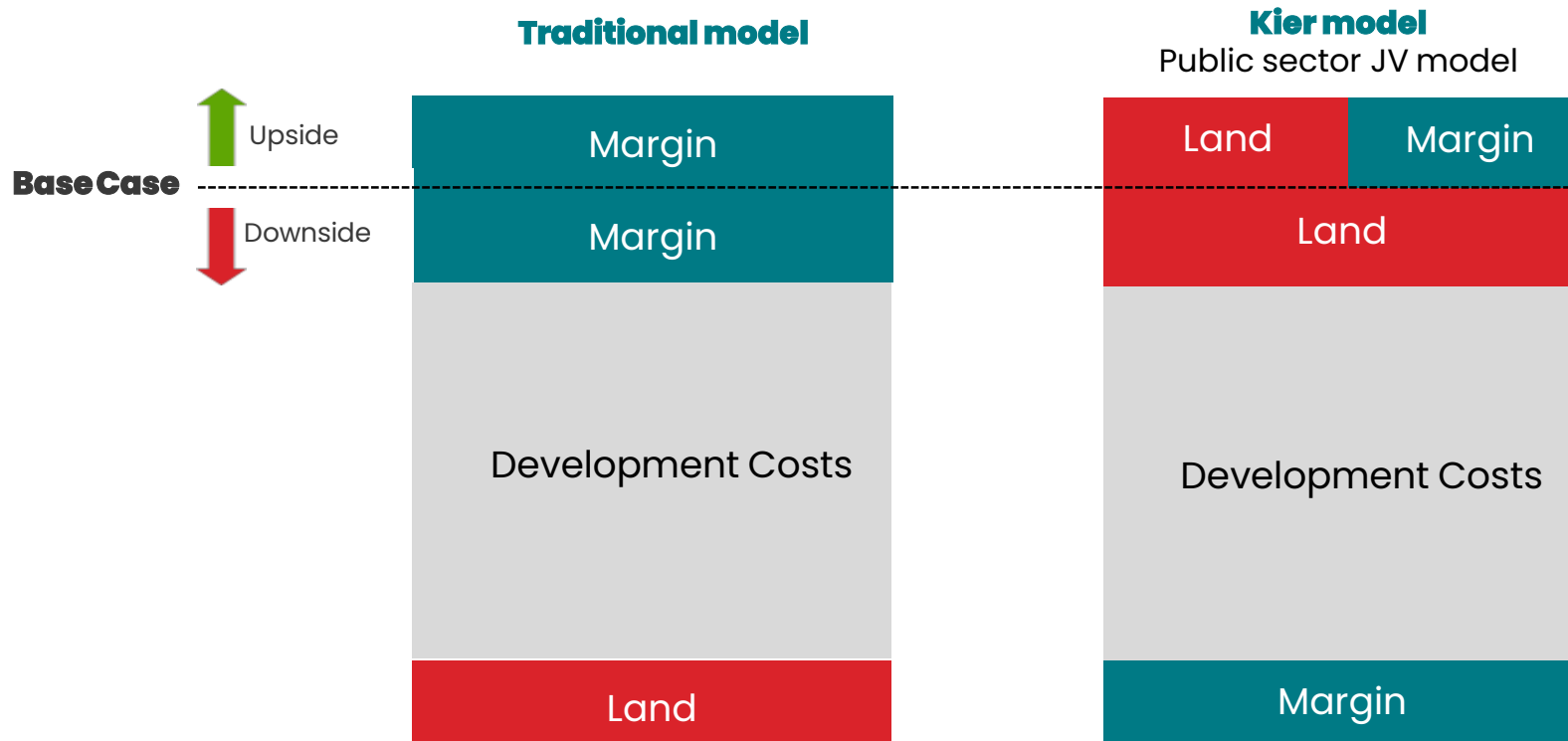
Sell Investment

- Prime locations, good tenants, long leases, sustainable buildings drive value
- Improving profitability helping deliver Group long term plan
- Targeted 15% ROCE on portfolio, from 2027

Lower Risk, Increased Liquidity, Increased Value (3–5 years)

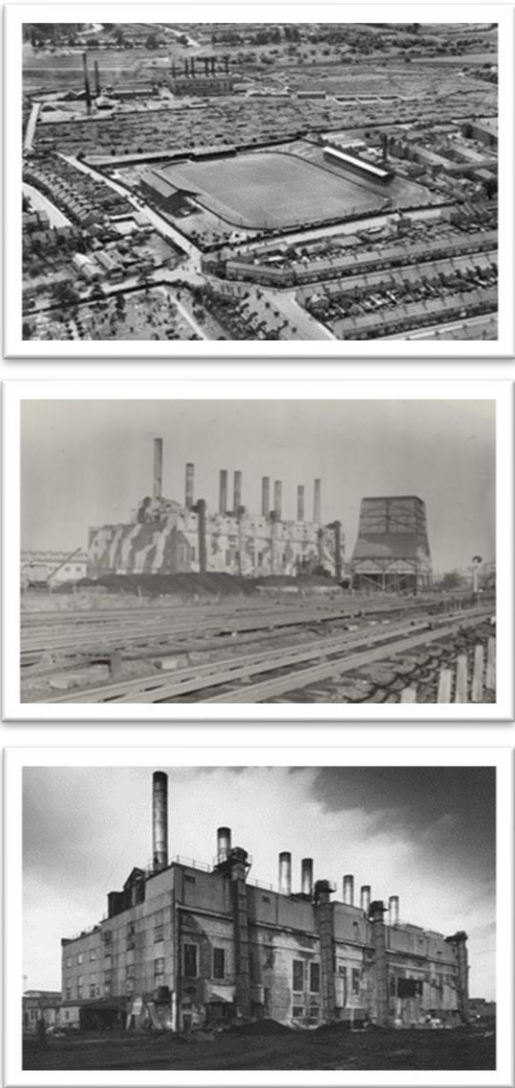
Urban Regeneration – Value Creation cont.

Kier's public sector JV model provides margin protection compared to a traditional model

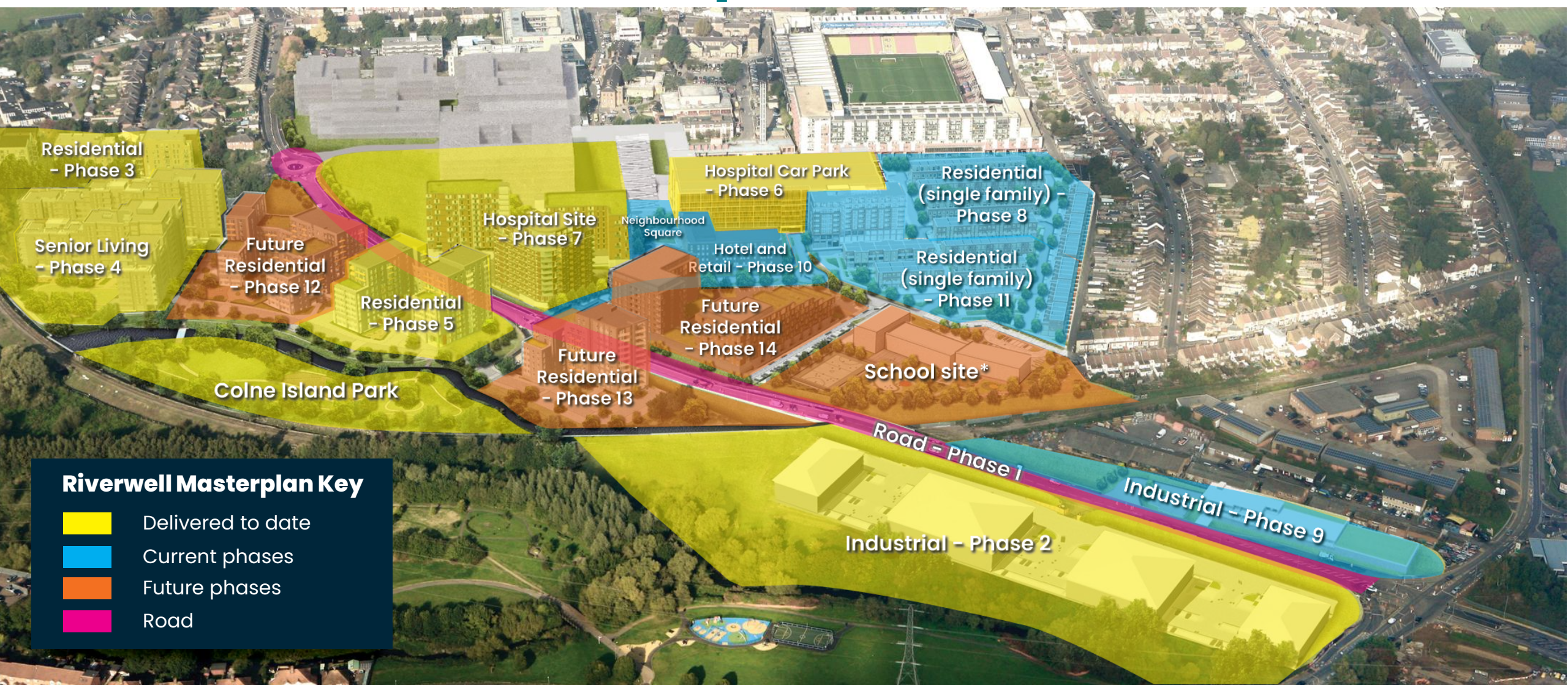


- **Kier public sector JV model** – margin protected as overhead and margin pre-agreed. Land is the flexible denominator
- **Over 60%** of current portfolio sourced this way
- **Benefits**
 - Secure pipeline of work
 - Consistent distribution of profit
 - Insulates against market volatility
 - Overhead efficiency
 - Fee generation
 - Efficient capital utilisation

Watford Riverwell – Before



Watford Riverwell – Masterplan



Riverwell Masterplan Key

- Delivered to date
- Current phases
- Future phases
- Road

* Land allocated – Herts County Council school site, as part of the section 106 agreement.

Watford Riverwell – Financial Delivery

Completion	Phases	Project GDV (100% built out)	Actual Delivery Method	Project Revenue Delivered
2013 – 2016	Road, Remediation & Planning – Phase 1	(£25m)	Grant, Loan and Equity	
2017	Industrial – Phase 2	£23m	Build / Let / Sold	£23m
2017	Residential – Phase 3	£31m	Build and Sold	£31m
2018	Senior Living – Phase 4	£88m	Planning and Land Sale	£18m
2019	Residential – Phase 5	£47m	Planning and Land Sale	£9m
2022	Hospital Car Park – Phase 6	£22m	Sold & Forward Funded	£22m
2023	Hospital Site – Phase 7	£75m	Land Sale	£13m
2025	Residential (single family) – Phase 8	£37m	Build and Sold	£37m
2025	Industrial – Phase 9	£9m	Sold & Forward Funded	£9m
2025	Hotel and Retail Phase – Phase 10	£25m	Pre-Let / Build / Sell	£25m
2025	Residential (single family) – Phase 11	£46m	Planning and Land Sale	TBC
		£403m		£187m

Forecast Completion

2026	Future Residential – Phase 12	£27m	Planning and Land Sale	TBC
2027	Future Residential – Phase 13	£51m	Planning and Land Sale	TBC
2028	Future Residential – Phase 14	£27m	Planning and Land Sale	TBC

Watford	Kier Peak Capital	Kier Ave Capital	Scheme Profit	Full Project GDV (100% built out)	Kier Fees & Interest	IRR	Land Value
Overall Project	£12.5m	£6m	£42m	£508m	£4.5m	25%	£14m

Kier Property – summary



1

Strong **Customer, Financial and Operational synergies** with Kier's other businesses



2

Proven **track record of delivery in the urban regeneration** and property development market



3

Large land bank giving access to £3bn of development opportunities



4

Well positioned to capitalise on government **growth agenda and Local Authority consolidation**



5

Ability to deliver consistent **ROCE of 15%**



6 Long term existing public sector partnerships / relationships.



>60% of land sourced from lower-risk contracting model



c.5,000 residential units can be delivered through the portfolio.



£3bn pipeline of opportunity (Net £2bn Kier)



Q&A



Watford Riverwell